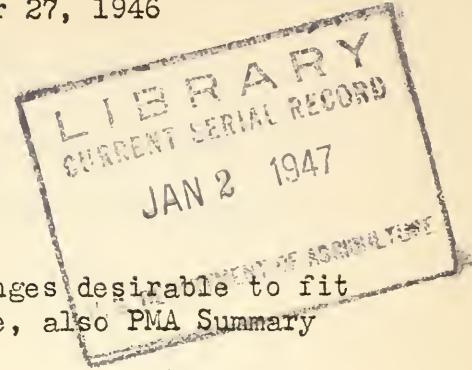


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Reserve
U.S. DEPARTMENT OF AGRICULTURE
Production and Marketing Admin.
Information Service
821 Market Street, Room 609
San Francisco 3, California

Approx. Time 15 minutes
November 27, 1946



YOUR FAMILY'S FOOD
(Weekly Script No. 138)

(Time all scripts in advance. Suggest you make any changes desirable to fit script to local picture. News releases from this office, also PMA Summary are good sources of additional material.)

SUBJECT: PRICE SUPPORT AND POTATO GOALS

PARTICIPANTS: Announcer
PMA

BANGING OF GAVEL

ANNOUNCER: Your Family's Food! This is YOUR program, brought to you by the United States Department of Agriculture...YOUR program to keep you up to date on the many factors that influence YOUR food supply. And here again at the microphone is _____ of the _____ Production and Marketing Administration. What's on the slate for today, _____?

PMA: Well, there's been considerable interest in the government's price support program--particularly as it affects potato production goals. So, today I'd like to bring us up to date on the price-support situation, since this program concerns us all, in one way or another.

ANNCR: Fine, _____. What is the latest development in the potato price support picture?

PMA: First of all, possibly you remember that with the announcement of potato goals for 1947, the Department of Agriculture stated that no farmer would receive price support for potatoes planted in excess of his individual acreage goal.

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ANNCR: Yesss, think I do remember something like that.

PMA: Well, this was the first attempt to tie price support to individual production goals--and there was some question about the legal basis for this restriction.

ANNCR: So?

PMA: So the Secretary secured a legal opinion on the matter from the Department's solicitor....

ANNCR: And....?

PMA: And in the solicitor's opinion, the Department of Agriculture may require that farmers comply with potato acreage guides as a means of supporting the price of potatoes under the Steagall Amendment.

ANNCR: Potatoes are the only Steagall crop coming under this particular limitation so far?

PMA: Yes...potatoes have been the first Steagall crop to present a really big problem in over-production...but acreage limitation may be applied to other crops if they threaten to become chronic surpluses.

ANNCR: What crops--in general--are price supported under the Steagall amendment?

PMA: Non-basic crops in which large expansion was called for during the war.

ANNCR: Let's see now...the Steagall crops are non-basic...what are the basic commodities?

Wet, cool, cloudy, with a strong wind from the N. and N.E.

Clouds in the N. and N.E. and a few in the S. and S.E.

Wind from the N. and N.E. with a strong gust.

Clouds in the N. and N.E. and a few in the S. and S.E.

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PMA: Cotton, corn, wheat, tobacco, peanuts and rice are the so-called basic commodities, and these are also price supported by law. Both "basic" and "Steagall" commodities are supported at 90 percent of parity.

ANNCR: Tell me, _____, just when was the Steagall amendment passed by Congress?

PMA: In July, 1941.

ANNCR: And how long will it be in effect?

PMA: For at least two years after the war has been officially declared ended. I say "at least"--because the two-year period will start from the January following the official declaration.

ANNCR: That makes it a pretty indefinite period....

PMA: Yes, it is. And its one of the reasons the Department of Agriculture decided on the move to link production goals with price support. In this way, agricultural reconversion can be hastened. It would be senseless to delay our return to a peace-time economy until the official announcement of the end of hostilities.

ANNCR: Well, then, what was the main purpose of the Steagall amendment?

PMA: It provided farmers with price protection during the post-war period when they would be required to readjust from expanded war-time production to a normal peace-time output. And when a time limit of two calendar years was set, we can assume that Congress expected that farmers would have readjusted their production by the end of that period.

ANNCR: Oh, I see. Unless a little push is given to this reconversion business, Steagall farmers will be in the same spot at the end of the two years as they were in the beginning.

PMA: Yes...that might easily be the case. And there is no point in producing more food than we can eat. The tying of potato acreage goals to price support is just a way of tailoring production to demand.

ANNCR: And putting it quite frankly, we've had more potatoes this year than we could possibly take care. of, is that it?

PMA: That is the problem exactly. The farmers responded with such enthusiasm to the call for large production during the war that by 1946 the crop reached an all-time high of 471 million bushels--which far exceeded requirements. Not only was the planted acreage more than the announced goals, but the yield per acre set a record.

ANNCR: How did we happen to get such a high yield per acre?

PMA: Mostly through the use of better seed, improved methods of farming and more efficient insecticides. And then, too, there has been some shifting of acreage from low-yield to high-yield areas. If weather conditions continue favorable, there isn't much prospect for a decline...so if present acreage remains the same, the average yield probably will approach 200 bushels per acre within the next five years. That would produce a crop about 40 percent larger than expected requirements.

ANNCR:Which under the past arrangement would have to be price supported by the government.

PMA: Very likely. We expect this year, that the government will end up buying some 40 million bushels of surplus potatoes, resulting in losses of about 80 million dollars on price support operations during the 1947 fiscal year. And the Department of Agriculture has concluded that without limitation of acreage in 1947, losses on price support operations might run even higher.

ANNCR: Then that would mean simply a waste of money and a waste of food.

PMA: Right. It would be a waste of food because there are no market outlets to take care of such enormous surpluses. While potato production is on the increase, potato consumption here in this country is declining. There will be no more large military requirements--and the potato--particularly the early crop--will have stiff competition from other fresh vegetables and fruits. In addition, export demand in 1947 probably will be small--ranging between 2 and 4 million bushels.

ANNCR: So without acreage limitation it just wauld add up to a lot of potatoes with no place to go. But aren't there other ways of using potatoes besides eating them "as is"...haven't we diverted some of them to alcohol production...and starch?

PMA: True...we diverted about 11 million bushels of surplus potatoes to starch manufacture this year, but the number of starch plants is limited. In addition, the plants are not well distributed through the country and usually it doesn't pay to ship potatoes to distant processing plants. It is also true that distillers absorbed a great part of the 1946 surplus for the production of

PMA: (Cont.) alcohol. However, don't forget that this unusual demand was due to the shortage of grain. Next year, our grain exports will take a big drop and distillers will have more ample supplies to draw on.

ANNCR: Then we can't count on alcohol production to absorb much of our potatoes.

PMA: Definitely not. If this outlet had not been available this year, it would have been necessary for the government to purchase about 100 thousand acres of unharvested potatoes and let them rot in the fields.

ANNCR: That certainly doesn't sound like good management when that acreage could be planted to other crops more in demand.

PMA: And a change-over to some other kind of crop would work no hardship on the farmer because potato land doesn't require any special type of cultivation which would make it unusable for another crop. Another thing...reduced potato acreage would not leave the producer with expensive machinery suitable only for potato cultivation.

ANNCR: Then it won't cost the grower money out of his pocket to reduce his acreage?

PMA: No--and in order to make the change-over as gradual as possible, the Department of Agriculture set a liberal production goal for the 1947 crop--that is, liberal when probable potato consumption is considered.

ANNCR: In other words, the goal has been set a little higher than expected consumer demand would warrant.

PMA: That's right.

ANNCR: Seems to be a fair and reasonable way of going about it. Just what is our potato goal for the entire country next year?

PMA: A bit more than 2 and a half million acres--4 percent below the planted acreage this year.

ANNCR: How many potatoes will that give us next year?

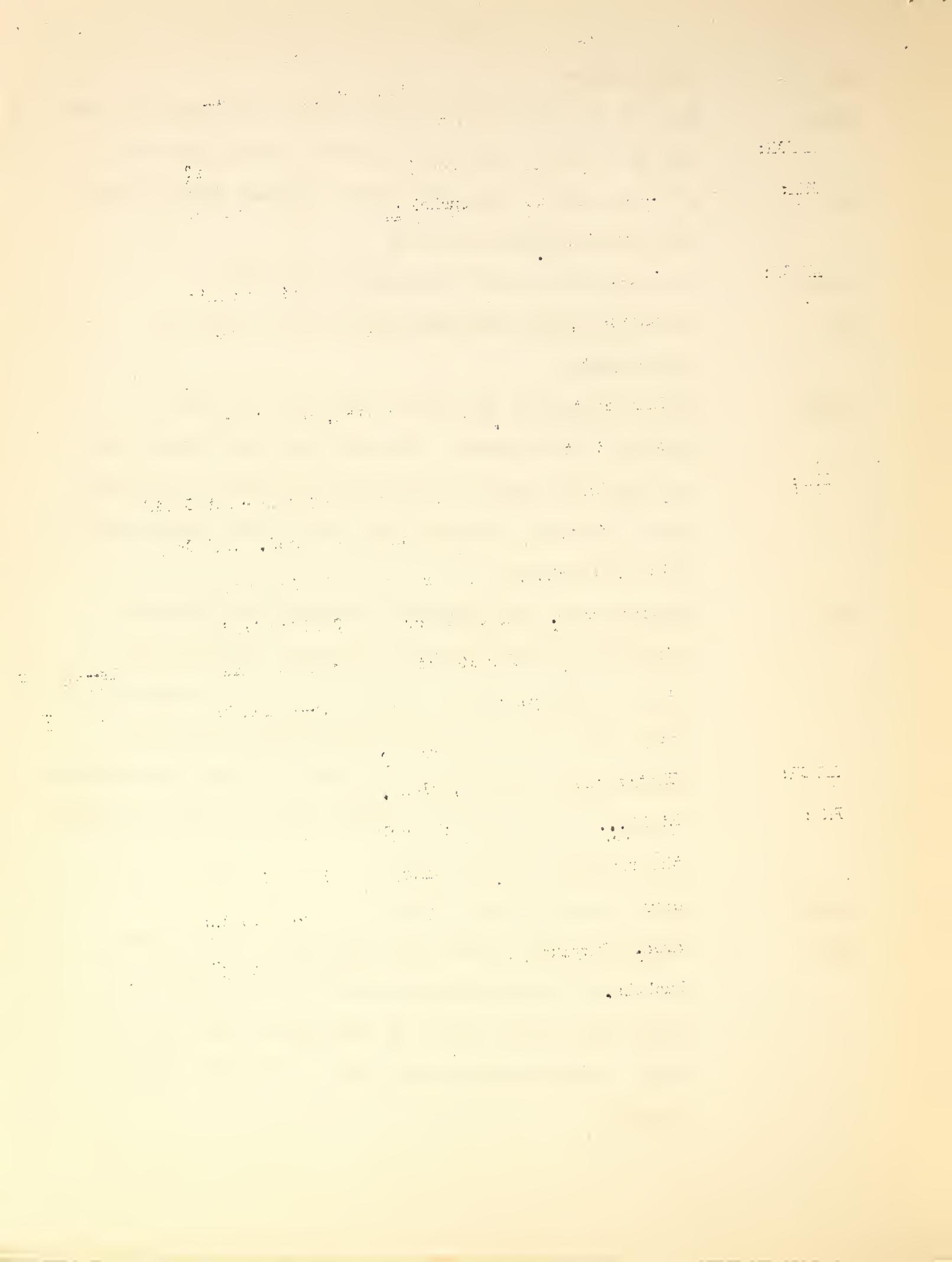
PMA: About 375 million bushels--according to the estimated acre yields.

ANNCR: Well, cutting down the acreage certainly won't lead to a shortage, that's obvious. Now let's get down to cases and see just what reduced acreage goals will mean to our farmers here in the West. To start with, what is the largest producing state in this area?

PMA: Idaho has more acres planted to potatoes--but California leads in the number of bushels produced. And California is one of the few western states having both an early and late potato crop. The early crop in California is the most important--and for 1946 it ran around 34 million bushels--higher than the ten year average for Idaho--which has long been known as the western "potato state."

ANNCR: That's the early crop, alone.

PMA: Right...and this mammoth early crop was to a good extent the result of over-planting, as California exceeded its early crop acreage goal by 63 percent--more than any other area. Surplus purchases were made of more than 8 million bushels.



ANNCR: That's pretty heavy support isn't it?

PMA: Yes..and as potatoes are the most profitable crop that can be grown in California under government price support, there probably will be a desire to continue planting large acreages. However, no grower will be offered price support for any potatoes planted in excess of his goal. The 1947 goal for the state as a whole--both early and late crops--is 75 percent of the acreage planted in 1946.

ANNCR: A 25 percent drop, eh? That seems rather large.

PMA: Not when you compare the 5 year average from 1941 to 1945. Before we go any further, I'd better explain that all 1947 goal acreages were allocated to the states on the basis of this 5 year simple average of planted acreage. This is only fair as some states increased their potato acreage under the promise of price support. In addition, to make sure the cut would not be too drastic, no state goal was established at less than 65 percent of the 1946 planted acreage. Incidentally, most of the acreage reduction falls on the early potato crop areas.

ANNCR: Why is that?

PMA: The greatest increase over the recommended goal has been in the early potato areas--and it is just this crop which presents the biggest problem in marketing.

ANNCR: O.K. So much for that. Now how about some of the other western states...what are their acreage goals compared to 1946?

PMA: Well, we'll take the next logical potato state---Idaho. Here, the 1947 goal is about 91 percent of this year's planted acreage. Montana, where production is relatively small and little price support has been necessary is the only western state with a higher goal--105 percent of this year's acreage. Wyoming has exactly the same acreage goal.

ANNCR: How about Utah...and Nevada?

PMA: Production in these two states is fairly small--some areas raising mostly seed potatoes. Utah's 1947 goal is about 81 percent of the 1946 planted acreage--and Nevada's is almost 94 percent.

ANNCR: And for Washington...and Oregon?

PMA: In Washington, the areas growing early and late potatoes are not clearly defined--although there has been a tendency to plant a larger proportion of early potatoes--which should be sharply reduced. The goal for the state is 87 percent of this year's acreage. Oregon's goal is likewise 87 percent.

ANNCR: And finally, Arizona.

PMA: Arizona's white potato production is on a very small scale--and as all the potatoes are the early crop, the state goal has been cut to 65 percent of the planted acreage in 1946.

ANNCR: And that's the complete round-up of 1947 potato goals for the western states...And that just about brings us to the end of our program. Our thanks to you, _____, for some of the answers to questions about agricultural topics of the day. Friends, that was your Production and Marketing Administration representative, _____. YOUR FAMILY'S FOOD will be presented again next week at this same time. This broadcast, a public service feature over station _____, is presented for farm and city listeners in _____. Your announcer has been _____.

